

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 9/13/2012

Action Requested By:
Finance

Agenda Item Type
Ordinance

Subject Matter:

Capital Plan Sales Tax Earmark

Exact Wording for the Agenda:

Ordinance reducing the share of sales and use taxes paid from the General Fund to the Capital Improvement Fund from 23.1 percent to 18.0 percent, beginning in fiscal year 2013.

Note: If amendment, please state title and number of the original

Item to be considered for: Introduction Unanimous Consent Required: No

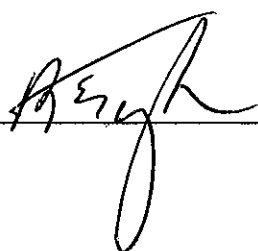
Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

The FY13 budget proposal includes actions to create a more sustainable General Fund budget plan over the next five years, which includes reducing the amount of sales/use taxes transferred from the General Fund to the CIP each year.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 9/11/12

ORDINANCE NO: 12- _____

BE IT ORDAINED by the City Council of the City of Huntsville, Alabama that the Code of Ordinances of the City of Huntsville, Alabama (hereinafter referred to as "City Code") is amended as follows:

Sec. 15-109 of the City Code is hereby amended as follows:

Sec. 15-109. Disposition of sales and use taxes.

(a) Sales and use tax revenue of the city, as determined pursuant to generally accepted accounting principles, will be accounted for in the general fund of the city.

(b) The council, for fiscal year 2011 and 2012, designates that 23.1 percent of sales and use tax revenue be appropriated from the general fund to the capital improvement fund of the city each fiscal year, and further directs that such appropriation be paid into an account that is separate from accounts maintained in the capital improvement fund for other revenues. For fiscal year 2013 and subsequently, such designated percentage shall be 18.0 percent. The city shall expend such appropriation for capital improvements consistent with the city's capital improvement plan.

(c) The council, for fiscal years 2011 and subsequently, designates that 14.7 percent of sales and use tax revenue be appropriated from the general fund to the city board of education each fiscal year, and further directs that such appropriation be paid directly to the city board of education on a monthly basis.

ADOPTED this the 27th day of September, 2012.

President of the City Council
of the City of Huntsville, Alabama

APPROVED this the 27th day of September, 2012..

Mayor of the City of
Huntsville, Alabama